Increase in fiscal deficit

†*553. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the details of fiscal deficit of the country for the last three years till today ;

(b) the reasons for continuous increase in fiscal deficit;

(c) the steps taken/proposed to be taken by Government so far to curb fiscal deficit; and

(d) whether Government have received certain requests or directions during said period from IMF alongwith other world level financial institutions to contain fiscal deficit and monetary crisis?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The details of fiscal deficit of the Centre, States and Consolidated General Government (consisting of Central and State Governments) is given below:

Fiscal Deficit

Year	Central Government	State Government	Consolidated General Government
		(In Rs. crore)	
2003-04 (Actual)	123,272	123,070	234,501
2004-05 (RE)	139,231	123,635	262,430
2005-06 (BE)	151,144	110,070	270,901
		(As per cent of GDP)	
2003-04 (Actual)	4.5	4.5	8.5
2004-05 (RE)	4.5	4.0	8.4
2005-06 (BE)	4.3	3.1	7.7

† Original notice of the question was received in Hindi.

Actual fiscal deficit of the Centre has been contained in recent years and shows a declining trend. For 2004-05, the fiscal deficit was Rs. 1,25,202 crore (4.0 per cent of GDP). Fiscal deficit of the Centre is budgeted at Rs. 1,48,686 crore (3.8 per cent of GDP) in 2006-07. Data on fiscal deficit for States and Consolidated General Government is available only up to 2005-06 (BE).

(b) and (c) As a proportion of GDP fiscal deficit of Centre, States and Consolidated General Government have declined in the last two or three years. This has been the result of the series of initiatives taken by the Centre and States in pursuance of fiscal consolidation. Initiatives taken by the Centre, *inter alia,* include: enactment of the Fiscal Responsibility and Budget Management (FRBM) legislation; widening the tax base through phased removal of exemptions and increased coverage under service tax; special drive to realise tax arrears; a soft interest rate regime; pension reforms and efforts at targeting subsidies to the poor and truly needy sections of the society. The introduction of State-level value added tax and implementation of the Twelfth Finance Commission award, which include a debt relief and debt write-off package to States linked to the enactment of fiscal responsibility legislation by them, have helped reduce their fiscal deficit. Reportedly, twenty-one States have so far enacted fiscal responsibility legislation. Adherence to the fiscal responsibility legislation by the Centre and States would bring down the combined fiscal deficit.

(d) Various international financial institutions bring out country specific macroeconomic reports periodically, which are advisory in nature. Such reports, *inter alia,* indicate that India could sustain the present high growth rate through adherence to the fiscal adjustment objectives and targets enunciated under the FRBM Act and Rules made thereunder.

Land for expansion of Chennai Airport

*554. SHRI R. SHUNMUGASUNDARAM: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is a delay in the land acquisition proceedings for the expansion of Kamaraj Domestic and Anna International Airports at Chennai;